

12-5248. Same; issuance of special obligation bonds; payment; procedure for issuance; tax exempt status; limitations. (a) (1) Any city or county which has established a housing incentive district as provided in this act may issue special obligation bonds to finance the implementation of the plan adopted for the district by the governing body. Such special obligation bonds shall be made payable, both as to principal and interest:

(A) From property tax increments allocated to, and paid into a special fund of the city or county under the provisions of subsection (b) of K.S.A. 12-5250, and amendments thereto;

(B) from revenues of the city or county derived from or held in connection with the implementation of the project or projects in the district;

(C) from any private sources, contributions or other financial assistance from the state or federal government;

(D) from any financial sureties or other guarantees provided by the developer;

(E) from a pledge of any other lawfully available city or county revenue sources, including, but not limited to: (1) A portion of all increased franchise fees collected from utilities and other businesses using public rights-of-way within the district; or (2) a portion of the sales and use tax revenues received by the city or county and collected pursuant to K.S.A. 12-187, and amendments thereto; or

(F) by any combination of these methods.

The city or county may pledge such revenue to the repayment of such special obligations bonds prior to, simultaneously with, or subsequent to the issuance of such special obligation bonds.

(2) Bonds issued under this subsection shall not be general obligations of the city or county, not [nor] in any event shall they give rise to a charge against the general credit or taxing powers of the city or county, or be payable out of any funds or properties other than any of those set forth in this subsection. Such bonds shall so state on their face.

(3) The bonds issued under the provisions of this subsection shall be special obligations of the city or county and are declared to be negotiable instruments. The bonds shall be executed by the mayor and clerk of the city or, in the case of counties, by the chairman of the board of county commissioners and clerk of the county, and shall be sealed with the corporate seal of the city or the seal of the county. All details pertaining to the issuance of such special obligation bonds shall be determined by ordinance of the city or resolution of the county. All special obligation bonds issued pursuant to this act shall be exempt from all state taxes. The special obligation bonds shall contain none of the recitals set forth in K.S.A. 10-112, and amendments thereto. The special obligation bonds shall contain the following recitals, viz., the authority under which such special obligation bonds are issued, they are in conformity with the provisions, restrictions and limitations thereof, and that such special obligation bonds and the interest thereon are to be paid from the money and revenue received as provided in paragraph (1) of this subsection.

(4) The maximum maturity on bonds issued to finance projects pursuant to this act shall not exceed 15 years.

(5) Any city or county issuing special obligation bonds under the provisions of this act may refund all or part of such issue pursuant to the provisions of K.S.A. 10-116a, and amendments thereto.

(b) In the event the city or county shall default in the payment of any special obligation bonds as authorized pursuant to paragraph (1) of subsection (a) of this section, and amendments thereto, no public funds shall be used to pay the holders thereof except as otherwise specifically authorized in this act.

(c) Any and all terms, conditions, exclusions and limitations which are otherwise applicable to bonds issued by authority of K.S.A. 12-1774, shall also be applicable to bonds issued pursuant to this section.

History: L. 1998, ch. 66, § 8; L. 2010, ch. 44, § 11; July 1.